



July 13, 2006

VIRUS CONTAMINATION EXCLUSION ENDORSEMENTS ANNOUNCED

BACKGROUND MSO® has developed endorsements to introduce a specific exclusion for contamination by viruses or other pathological agents. We have developed an endorsement for Personal Lines Property and Commercial Lines endorsements for Property and Liability.

While the property forms currently include an exclusion for “contamination” under Wear and Tear, the new endorsements will explicitly apply that exclusion to any virus or other disease causing pathological agent.

While viruses could be argued to be a contaminant or irritant under the definition of pollutant under liability, the endorsements provide a specific statement of the intent to exclude claims for virus / pathological agent contamination.

MSO® ACTION We filed these endorsements for Commercial Property, Commercial Liability, Commercial Multi-Peril, and Personal Lines (property only) in Delaware, Maryland, New Jersey and Pennsylvania. We also filed Commercial Umbrella in Delaware and Maryland, as required by those state filing laws.

We have received approval of the following filings:

Delaware - Commercial and Personal lines
Maryland - Dwelling Property, Commercial Property and Commercial Multi-Peril lines.
Pennsylvania - Commercial and Personal lines.

The Commercial Umbrella endorsement may be used in Pennsylvania as this is “non-filed”.

We will advise you when we secure approvals of the Personal and Commercial filings in Delaware, and the Commercial Liability, Umbrella and Homeowners filings in Maryland.

NEW JERSEY The New Jersey Department of Banking and Insurance will not approve these exclusions at this time. Therefore these endorsements are not available in New Jersey. We will continue to pursue getting these, or similar exclusions, approved in New Jersey.

EFFECTIVE DATE Immediately

ENDORSEMENTS MCL 199 07 06 • Virus Contamination Exclusions (used with Commercial Liability & Commercial Multi-Peril policies)
MCL 757 07 06 • Virus Contamination Exclusions (used with Commercial Umbrella)
MCP 401 07 06 • Virus Contamination Exclusion (used with Commercial Property & Commercial Multi-Peril policies)
MPL 129 07 06 • Virus Contamination Exclusion (used with Personal Lines)

DISTRIBUTION The revised endorsements will be added to the CD-ROM. Affiliated companies will be able to access them through our website: <http://www.msonet.com>.

QUESTIONS Contact Jan Kozlowski at (800) 935-6900 or e-mail: jkozlowski@msonet.com.